



State of Utah

Department of
Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF DRINKING WATER
Kevin W. Brown, P.E.
Director

Drinking Water Board

Dale Pierson, *Chair*
Anne Erickson, *Vice-Chair*
Myron Bateman
Jay Franson
Laurie McNeill
Nancy Melich
Dianne R. Nielson, Ph.D.
Charlie Roberts
Petra Rust
Ron Thompson
Chris Webb
Kevin Brown
Executive Secretary

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

MINUTES OF THE APRIL 9, 2004 DRINKING WATER BOARD
MEETING HELD IN LAYTON, UTAH

Board Members Present

Dale Pierson, Chairman
Anne Erickson, Vice Chairman
Laurie McNeill
Nancy Melich
Dianne Nielson
Charlie Roberts
Ron Thompson
Chris Webb

Board Members Excused

Myron Bateman
Jay Franson
Petra Rust

Staff

Kevin Brown
Michael Georgeson
Ken Wilde
Rich Peterson
Merritt Neff
Linda Matulich

Guests

Scott Paxman, Weber Basin WCD
Steve Pentz, Croydon
John Chartier, Sunrise Engineering
Clyde Watkins, Rural Water
Jason Linford, Sunrise Engineering
Kenneth Hansen, Garden City
Doug Nielsen, Sunrise Engineering
Donald Champenois, Black & Veatch
Frank Mills, Pleasant Grove City
Ken Wells, Pleasant Grove, City
John Schiess, Horrocks Engineers
Russ Donoghue, Rural Water
Ken Leetham, Saratoga Springs

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Layton, Utah with Chairman Pierson presiding. The meeting was called to order at 1:30 p.m.

ITEM 2 – ROLL CALL

Chairman Pierson asked Kevin Brown to call roll of the Board members. The roll call showed there were 7 members present at the time.

ITEM 3 – INTRODUCTIONS

Kevin Brown introduced Merritt Neff, a new staff engineer. Merritt is replacing Mark Foster while he is on military leave for 6 months.

Chairman Pierson welcomed the guests and asked them to introduce themselves.

Chairman Pierson thanked Scott Paxman, with the Weber Basin Water Conservancy District, for the very informative tour of their new treatment facilities and the use of their facilities for the Board meeting.

ITEM 4 – APPROVAL OF MINUTES – FEBRUARY 27, 2004

Chairman Pierson stated a motion to approve the February 27, 2004 minutes is in order.

Chris Webb moved the Board approve the February 27, 2004 minutes.

Ronald Thompson seconded.

**CARRIED
(Unanimous)**

ITEM 5 – SRF/CONSERVATION COMMITTEE REPORT

1) Status Report

Michael Georgeson reported the Board has available almost \$800,000 in the Security Account, \$177,000 in the Secondary Account, and nearly \$650,000 in the Hardship Grant Account. The Board will receive for fiscal year 2004, \$3,587,500 by the June meeting from the sales tax account. The Board has a total of \$1,626,000 available in the State SRF program.

Mike mentioned all of the repayments have been received. Staff will report on Saratoga Springs and Garden City today. Staff is working on closing Monroe's loan, and will be closing Kannarraville soon. Staff is planning on closing Trenton next week, Beaver Dam Village on May 1, 2004, and Levan around May 1, 2004. Staff expects to close Mexican Hat sometime in May or June.

Mike reported the Board has available \$10,457,000 in the Federal SRF Account, which includes almost \$4,000,000 in second round money. Staff will be closing Billy Bethers shortly, Twin Creeks will close in the fall, Timber Lakes will close about May 1, 2004, Logan will close in late summer, and Orem will close in the fall.

2) State SRF Applications

a) Garden City Revised Scope

Rich Peterson reported Garden City was authorized a loan of \$1,000,000 at the September 2002 Board meeting for a water treatment plant. The total cost of the project was \$2.7 million. Garden City opted to do a lower cost alternative. The new project includes a new well and tank instead of a water treatment plant. The total cost of the new project will be \$1.45 million. Garden City has spent \$150,000 of their contribution. Garden City has submitted more information involving the special incentive points to staff. The new staff recommendation is for the Board to authorize a loan of \$1.3 million at an interest rate of 2.31% for 20 years with the condition that Garden City resolves the appropriate issues on their compliance report.

Mayor Kenneth Hansen addressed the Board.

Discussion followed.

Chris Webb moved the Board replace the previously authorized loan to Garden City with a new loan of \$1,300,000 at 2.31% interest for 20 years with the condition that they resolve the appropriate issues on their compliance report, and that the Board authorize a Change of Scope.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

b) Saratoga Springs Report

Rich Peterson reported at the January Board meeting that the Board authorized a loan to Saratoga Springs for purchasing part of a water system, which includes a well. Because of deadlines, Saratoga Springs has acquired financing from another source for the purchase of the water system. Saratoga Springs is still interested in refinancing part of the loan when the lawsuit is settled. Saratoga Springs would like to pursue construction of their own facilities including a well and water lines, which they plan to do in June.

Ken Leetham, Saratoga Springs representative, addressed the Board.

Discussion followed.

2) Federal SRF Applications

a) Pleasant Grove Loan

Ken Wilde reported Pleasant Grove has a project in which they would like to drill another water well and replace a lead joint undersized pipe. The SRF/Conservation Committee recommends the Board authorize a \$1,520,000 at 1.70% for 20 years on the condition that the City makes the recommended improvements shown in the attached compliance report.

Discussion followed.

Frank Mills, Pleasant Grove representative, addressed the Board.

Ronald Thompson moved the Board authorize a loan of \$1,520,000 at 1.70% for 20 years with the condition that Pleasant Grove makes the recommended improvements shown in the attached compliance report.

Dale Pierson seconded.

**CARRIED
(Unanimous)**

Dianne Nielson joined the meeting.

b) Croydon Planning Loan

Ken Wilde reported Croydon is not a municipal water system. Staff is recommending the funding be approved from the second round federal money. Croydon's spring is drying up, and they need to drill a well for a new water source. Croydon needs to complete a planning study before the water system improvements are done. Croydon would like to complete their PER and source protection plan, which will be included with their planning study. The SRF/Conservation Committee is recommending the Board authorize a \$20,000 planning advance at 0% for 5 years.

Steve Pentz, Croydon representative, addressed the Board.

Discussion followed.

Dale Pierson moved the Board authorize a planning loan of \$20,000 at 0% for 5 years with the condition that the water system hire a certified operator or certify an operator before they qualify for the loan, complete their consumer confidence report, and complete the nitrate samples for the Hay Hollow Springs. This loan may be rolled into a larger loan if funding for a construction project is authorized at a later date.

Nancy Melich seconded.

**CARRIED
(Unanimous)**

c) Priority Point List Revisions

Ken Wilde reported the Snowville Water Company and Croydon Pipeline Company are being added to the Project Priority List. Monroe City and Garden City have been deleted from the list because they received funding through the state loan program. Staff moved 18 applicants to the Inactive list, because there is no activity or the applicant doesn't want a loan right away. In July 2003, letters and Federal SRF financial assistance application forms were sent to the 18 applicants, to each of the 25 worst water systems on the SNC list, to 25 water systems that have arsenic levels in excess of the new MCL, and to 26 engineering firms that have shown interest in the loan program in the past.

Discussion followed.

Laurie McNeill moved the Board approve the updated Project Priority List.

Ronald Thompson seconded.

**CARRIED
(Unanimous)**

ITEM 6 – RULE R309-110 ADOPT AND SET AN EFFECTIVE DATE

Mike Georgeson reported at the February 29, 2004 Board meeting, the Board authorized rulemaking for R309-110. The public comment period expires on April 14, 2004. Staff has not received any comments and doesn't anticipate any comments. Staff is recommending the Board select April 15, 2004 as the effective date for the amendments, and to authorize staff to proceed with the necessary filing based on not receiving any comments prior to the closing date of the comment period.

Ronald Thompson moved the Board select April 15, 2005 as the effective date for the amendments and to authorize staff to proceed with the necessary filing for Rule R309-110 and Rule R309-204.

Chris Webb seconded.

**CARRIED
(Unanimous)**

ITEM 7 – RULE R309-204 ADOPT AND SET AN EFFECTIVE DATE

Agenda Item 7 was combined with Agenda Item 6 in the motion.

ITEM 8 – RULE R309-700 AND 705 ADOPT AND SET AN EFFECTIVE DATE

Mike Georgeson requested this agenda item be postponed and brought back to the June Board meeting. Staff received some comments from the Division of Administrative Rules legal counsel yesterday and would like to have time review the comments.

Ronald Thompson moved the Board table this agenda item until the June 11, 2004 Board meeting.

Charlie Roberts seconded.

**CARRIED
(Unanimous)**

ITEM 9 – CHAIRMAN’S REPORT

Dale Pierson reported on the Division Planning Retreat held on April 5 and 6, 2004. Some items for the Board to look at are: 1) Take an additional look at conservation. Dale mentioned writing a resolution in support of the Division of Water Resources efforts on water conservation. 2) If the Board has any comments or concerns on the information they receive from staff to let Kevin or Dale know. 3) The Water Task Force was established by the Legislature in the last session. The Task Force will begin to meet in a couple of weeks. One of the issues discussed will be water rights. 4) At the last few Board meetings, the Board has been requiring the water systems to comply with certain stipulations on compliance, which need to be met prior to the closing of a loan or the completion of a project.

Clyde Watkins, Rural Water Association, has been working with these systems. Clyde addressed the Board about the work he has been doing with the water systems.

Russ Donoghue mentioned Clyde offered to speak at a National Rural Water Association meeting on his work with the water systems in the State of Utah.

Dale Pierson complimented Russ Donoghue and the Rural Water Association for the outstanding work they do.

Discussion followed.

ITEM 10 – DIRECTORS REPORT

Kevin Brown mentioned on May 4, 2004 staff will be celebrating the 10th anniversary of the Water Quality Alliance, which started off with the 5 largest water utilities in the state. As a result of this Alliance, the water plants in Utah are further ahead of other water plants throughout the country. About 5 years ago, the smaller water treatment plants have grown out of the Water Quality Alliance and are doing the same work.

ITEM 11 – NEWS ARTICLES

The news articles are in the packet.

ITEM 12 – LETTERS

The letters are in the packet.

ITEM 13 – UPDATE

The update is in the packet.

ITEM 14 – NEXT BOARD MEETING

The next Board meeting will be held on June 11, 2004. There will be a tour of the Pepperidge Farm plant, lunch at the Copper Mill in Logan, and the Board meeting in Logan.

ITEM 15 – OTHER

No other business.

ITEM 16 - ADJOURN

Chairman Pierson stated a motion to adjourn the Board meeting would be in order.

Charlie Roberts moved to adjourn the Board meeting at 2:00 p.m.

Ron Thompson seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary